



REVISITING ENTREPRENEURIAL ORIENTATION AS CATALYSTS OF MULTI-FRANCHISE PERFORMANCE: A CONCEPTUAL FRAMEWORK

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ABSTRACT

This study examines the relationship between entrepreneurial orientation and the performance of multi-franchise owner-operators in Malaysia. In an increasingly complex and competitive business environment, the franchising business model has become a focal point for many operators. This franchising opportunity enables individuals to embark on entrepreneurship while leveraging the support of established franchise brands. Multi-franchising presents a significant opportunity for expanding franchise networks and achieving sustainable business growth. Therefore, this study investigates the key entrepreneurial orientation associated with the performance of multi-franchise owner-operators. Specifically, innovation, risk-taking, and proactiveness will be explored to identify how these orientations influence business performance in the Malaysian context. The methodology involves a comprehensive literature review to identify knowledge gaps and develop a conceptual framework. Data will be collected from owner-operators of Malaysian multi-franchise businesses. Propositions for each relationship will emerge from this framework. Finally, several expected contributions and recommendations for future studies are presented.

INTRODUCTION

Franchising has emerged as one of the most successful business methods in Malaysia, providing a platform for economic and entrepreneurial development (Aziz et al., 2019). The Malaysian government has introduced various franchise-supporting policies, significantly contributing to Malaysia's emergence as an ASEAN franchise hub, resulting in a remarkable increase of RM11.8 billion in the country's GDP in 2021 (Hanafiah et al., 2022). Moreover, franchises offer unique opportunities for Malaysians to become entrepreneurs by leveraging established brands and proven franchise operating systems (Alias, 1994). However, success in franchising requires more than merely adhering to the existing model. Entrepreneurial orientation unique to owner-operators enable them to adapt to the domestic market, innovate, and overcome distinctive challenges. Multi-franchise owner-operators also play a crucial role in expanding the franchise network and achieving sustainable business growth.

Acquiring knowledge about entrepreneurial orientation that correlate strongly with business performance in Malaysia remains essential. This study examines the impact of entrepreneurial orientation on the performance of multi-franchise owner-operators in Malaysia. This research anticipates providing multi-franchise owners, franchisors, and policymakers with valuable insights through its findings. Franchise success in Malaysia demands a specialised analytical approach due to its unique and inclusive business environment. Government policies, cultural patterns, and domestic market dynamics shape franchise performance in Malaysia. This study investigates entrepreneurial-related elements to provide practical knowledge about multi-franchising operations in Malaysia. The research focuses on exploring the influence of innovation, risk-taking, and proactiveness on franchise performance. According to Husain et al. (2020), investigating this relationship will lead to a new perspective on multi-franchising.

This study will examine the essential characteristics of franchise entrepreneurs, which include innovation, risk-taking, and proactiveness. Innovation refers to the ability to create exceptional ideas and execute them to enhance a product, service, or process. Risk-taking focuses on the readiness to embrace calculated risks and strategic actions to seize business opportunities. Furthermore, proactiveness involves taking the initiative to foresee potential problems and act before they emerge in the business environment (Anam et al., 2021). In summary, success for multi-franchise operators heavily relies on their entrepreneurial orientation.



LITERATURE REVIEW

Entrepreneurship

Entrepreneurship plays a crucial role in shaping economic expansion and innovation at the national level. It assists a country in creating new jobs and generating national wealth without compromising competitiveness (Ahmad, 2013; Soltanian et al., 2016). Entrepreneurship involves various activities such as launching new businesses, designing new products or services, and entering new markets. It requires individuals to carefully assess potential risks before pursuing business opportunities, with the goal of generating profit and expanding their ventures. Academics and practitioners need to comprehend both the motivations of early-stage entrepreneurs and the drivers of entrepreneurship to maintain a steady stream of entrepreneurial talent (Rahmi et al., 2023). According to Habsy (2017), entrepreneurial individuals demonstrate notable creativity and adaptability, along with mental resilience and technological proficiency. Education in entrepreneurship plays a vital role in developing entrepreneurial intentions, which subsequently lead to business start-up activities (Maranata & Wijaya, 2021). Supporting the development of an entrepreneurial mindset alongside necessary resources helps individuals achieve entrepreneurial success, leading to economic progress.

Entrepreneurship demands commitment and recognition of vision, paired with dynamic change and creative abilities for the generation of valuable products (Wiyono, 2020). According to Delza et al. (2021), entrepreneurial talent can be developed through educational processes. The entrepreneurial spirit plays a vital role in society as it displays creativity and innovation that enable individuals to find opportunities and embrace beneficial changes, leading to business expansion (Delza et al., 2021). Success in entrepreneurship requires individuals to develop leadership abilities alongside effective communication skills and problem-solving capabilities. Building a sustainable and successful business necessitates strong ethics, accountability, and a dedication to social responsibility (Uriarte et al., 2024).

Entrepreneurial interest manifests as an individual's desire to work independently or establish their own business (Dewy & Isnaini, 2021). Developing students with an entrepreneurial spirit requires an educational process that provides support and stimulation to cultivate brave and resilient entrepreneurs (Dewy & Isnaini, 2021). Entrepreneurial interest plays a crucial role in developing the drive and passion necessary to launch and expand a business.

Entrepreneurial Orientation

Entrepreneurial orientation significantly influence the success of entrepreneurs and their businesses. Successful entrepreneurs must possess a range of characteristics and behaviours that help them identify business opportunities and take calculated risks to generate value. This research will investigate three primary entrepreneurial orientation: innovation, risk-taking, and proactiveness (Covin and Slevin's, 1989). According to Hartini et al. (2022), small business success depends on entrepreneurial orientation, including innovation, proactiveness and risk-taking, with marketing efficiency acting as a primary driver. Innovation demonstrates the capacity to generate fresh and creative ideas that can enhance products, services, and processes. Risk-taking involves entrepreneurs actively searching for business opportunities while embracing risk, according to Arif et al. (2023). Proactiveness refers to individuals' ability to take initiative and anticipate potential problems, allowing them to address issues before they escalate.

Entrepreneurs require innovation as it enables them to stand apart from competitors while delivering new customer value and responding to market shifts. Entrepreneurs who embrace innovation consistently seek methods to improve their products, services, and operational processes. They demonstrate a willingness to test new ideas while taking calculated risks to identify new opportunities. Creativity serves as a critical instrument for achieving commercial success, according to Wiyono (2020). Business founders who develop original and creative concepts stand a better chance of thriving in competitive markets.

Risk-taking is another important aspect of entrepreneurship. Entrepreneurs frequently need to take significant risks when starting and expanding their businesses. They might use personal savings to invest in their ventures or secure loans while choosing to leave stable employment. Successful entrepreneurs operate in a business world where risks are prevalent, but they have strategies to manage and mitigate these risks. On the other hand, entrepreneurs must demonstrate proactive behaviour as an essential quality for success. Proactive entrepreneurs demonstrate initiative by anticipating potential problems and taking proactive action before they escalate into crises.



To succeed in entrepreneurship, individuals must engage in continuous learning, take decisive actions to achieve their goals, cultivate their interests, and connect with a sense of purpose. Two primary characteristics of entrepreneurship are risk-taking and foresight. Risk-taking acknowledges that, despite the possibility of adverse outcomes, one is still willing to invest effort into a business venture (Gedeon & Rogers, 2006). When risk is calculated and managed effectively, it can lead to substantial rewards and opportunities for growth and success. Entrepreneurship necessitates that individuals exhibit flexibility, resilience, and a willingness to embrace change, as these characteristics enable them to surmount challenges and capitalise on emerging opportunities.

Performance of Multi-Franchise Operators

Business performance refers to the achievements or outcomes attained by an enterprise over a specified period. It can be evaluated using various financial and non-financial metrics, such as profitability, revenue growth, customer satisfaction, and market share. Business performance is crucial for the long-term success of any enterprise. A franchise constitutes a legal agreement in which a business owner (franchisor) grants an individual or group (franchisee) the right to operate a business under the franchisor's brand and system (Hasan et al., 2021). Franchisors typically offer ongoing support to franchisees, including training, marketing, and operational assistance.

Franchising represents a complex business system that encompasses the relationship between the franchisor and the franchisee. Franchisees obtain permission from franchisors to utilise their brand to operate businesses. In return for the granted rights, franchisees compensate franchisors through fees and royalties. However, the success of franchises is heavily contingent upon a variety of internal and external factors, including the nature of the franchisor, strategic approaches, and prevailing economic conditions. A competitive business environment compels franchisees to continually develop new strategies to sustain their market advantage. Franchise performance hinges on both the franchisor's brand systems and the franchisee's capacity to implement effective strategies and respond to market fluctuations.

Multi-franchise operators achieve success through a combination of their individual characteristics and strategic planning, taking into account external market conditions. They leverage their extensive business experience, effective leadership skills, and strong commitment to the franchise system. Through their broad experience, multi-franchise operators cultivate robust strategic decision-making capabilities, while their leadership skills enable them to manage teams effectively. The franchise system necessitates that operators adhere to established standards and procedures, as their commitment to these guidelines upholds brand quality and consistency. Successful multi-franchise operators exhibit operational excellence across their various locations by utilising resources efficiently and leveraging economies of scale. These operators demonstrate their strength by identifying expansion opportunities and executing growth through the establishment of new sites or service expansions. The success of franchise systems and outstanding performance arises from multi-franchise operators who integrate these essential attributes (Hizam-Hanafia et al., 2023).

Multi-franchise operators must develop effective management strategies to oversee multiple business locations successfully. To achieve effectiveness, they need to integrate their administrative roles into a unified system while investing in technology and fostering a robust corporate culture. Multi-franchise operators operate within dynamic environments that present complexity at all times. The business environments in which they function experience changes driven by economic conditions, industry trends, and competitive forces. The effectiveness of multi-franchise operators primarily depends on the strategic approaches they choose. Those who succeed create customised strategies that support both business growth and effective financial and operational management. Businesses can achieve rapid and efficient expansion when their growth strategy aligns with operational management practices, ensuring smooth operations and compliance with standards across all locations. Prudent financial management enables organisations to control cash flow while minimising costs and maximising profits. Through effective strategies, multi-franchise operators can capitalise on available market opportunities while implementing measures to mitigate risks to their businesses (Gillis & Combs, 2009; Sukarno & Ahsan, 2021).

Multi-franchise operators must adjust their processes to keep pace with the evolving business landscape. Those who successfully adapt to changes such as technological advancements, shifting customer demands, and modifications in government regulations demonstrate higher success rates and maintain their competitive advantage. Successful multi-franchise operators exhibit expertise in managing multiple franchise locations while upholding uniform brand



standards and fostering a committed team. Efficient operations and high levels of customer satisfaction necessitate effective human resource management through the recruitment, training, and retention of quality employees (Jumadildayeva & Uspanova, 2015).

The success of any franchise system is heavily reliant on the performance of multi-franchise operators. The exemplary performance of a multi-franchise operator demonstrates to both the franchisor and franchisee that their business model functions effectively and can yield substantial profits. Strong performance attracts prospective franchisees, facilitating the growth of the franchise system. Multi-franchise operators are significant contributors to economic growth and employment opportunities. Franchises utilise successful operators as exemplars for others, while these operators simultaneously assist in marketing the franchise system. The franchise system benefits from innovation driven by new ideas, creative marketing strategies, and enhancements in business operations. A top-performing multi-franchise operator aids the franchise system in sustaining growth while remaining adaptable to market shifts. For the franchise system to achieve long-term success and viability, it requires the support and recognition of multi-franchise operators.

The Relationship between Entrepreneurial Orientation and the Performance of Multi-Franchise Operators

High levels of performance in multi-franchise operations are attained through entrepreneurial orientation, including innovation, proactiveness and risk-taking. Innovation in franchise operations entails operators implementing novel ideas and operational efficiencies to enhance their products and services. Innovation-focused franchise operators systematically seek methods to improve customer satisfaction and reduce operational costs, thereby enhancing their business competitiveness. They leverage innovation to adopt new technologies, refine service processes, and create products that address local market needs. Innovations in multi-franchise operations upgrade everyday business procedures and establish a framework for sustainable growth. Research indicates that businesses that consistently apply innovative practices achieve higher levels of customer satisfaction and greater profit margins compared to those that do not embrace such innovations. The distinction between successful multi-franchise operators and their less effective counterparts lies in their utilisation of innovation (Huang et al., 2023).

Effective risk-taking forces franchise operators to be courageous and venture into new markets while also handling unforeseen challenges. By embracing risks, franchise operators recognise that potential losses accompany every business decision, yet they proceed when they believe the potential benefits outweigh these risks. Business risks may manifest through investments in new locations, entry into untapped markets, or the introduction of new products or services. Multi-franchise operators who can successfully navigate calculated risks experience accelerated growth and higher profits during periods of uncertainty and potential losses. A study by Hoskisson et al. (2017) found that businesses pursuing calculated risk-taking outperform those that adopt a more cautious approach.

Proactiveness entails being the first to act, leading the way in resolving problems and seizing opportunities ahead of others. Proactive franchise operators strive to enhance their business performance rather than merely waiting for rewards. By monitoring market trends and adapting to changes in the business landscape, they take early measures to address issues that could evolve into more significant challenges later (Smith, Doe, & Brown, 2023). Within franchising operations, proactive operators concentrate on growth opportunities, both by expanding the number of locations and broadening the range of products or services offered while simultaneously improving marketing strategies. They are also prepared to confront challenges and devise innovative solutions when problems arise. According to Covin and Slevin's (1989) research, businesses exhibiting a proactive characteristic will ultimately outperform those that do not. Multi-franchise operators possessing an entrepreneurial disposition successfully transform the market while overcoming obstacles and maintaining growth.

DEVELOPMENT OF CONCEPTS AND PROPOSITIONS

Innovation

Innovation represents the development and application of novel concepts alongside new products and services that enhance efficiency and effectiveness or achieve stronger competitive positioning. Entrepreneurial innovation encompasses both the creation of new offerings and the ongoing improvement of existing products and services to align with customer requirements and maintain market relevance. Through innovation, businesses establish unique market positions, leading to customer acquisition and retention while improving financial performance. Past research indicates that businesses prioritising innovation achieve superior growth and profitability outcomes compared to their



less innovative counterparts. The success of businesses in competitive environments significantly depends on innovation, as it represents a fundamental aspect of entrepreneurship (Herlinawati & Machmud, 2020; Pachava, 2018). Franchise innovation can manifest through product or service adaptations for local markets, as well as through new marketing techniques and operational process optimisations that enhance efficiency and reduce costs. Multi-franchise owner-operators need to prioritise innovation because they operate several locations while adapting to different local market requirements. Multi-franchise owners can drive innovation by creating strategies that enhance inter-franchise collaboration and communication while sharing best practices to improve performance across locations.

Product innovation represents a blend of both novelty and intensity, validating the introduction of new products into the market (Firdaus, 2020). Product innovation and product excellence are believed to enhance marketing performance, particularly for micro, small, and medium-sized enterprises (Ningrum et al., 2020). Innovation is closely related to creativity and serves as the foundation of innovation itself (Hermawan et al., 2023). In the 21st century, innovation is a primary means for businesses to thrive (Pontjoharyo, 2023). Product innovation encompasses various strategic approaches, including the creation of entirely new and distinct products that differ from existing market offerings or significant improvements to existing products through changes in design, features, or functionality.

Furthermore, innovation is not limited to the creation of new products but also includes continuous improvements to existing ones (Niki, 2022). Additionally, innovation plays a crucial role in providing consumers with added value (Karnudu, 2018). In a competitive market environment, innovation enables businesses to offer better, cheaper, and more tailored products that meet customer needs, thereby differentiating themselves from competitors (Asenge et al., 2018; Right et al., 2019). Businesses successful in innovation typically possess a significant competitive advantage, allowing them to increase market share and achieve higher profits. However, there is an opinion that suggests relying too heavily on innovation without considering other factors, such as product quality, effective marketing, and excellent customer service, can also lead to business failure. Therefore, innovation must be managed wisely and integrated into a comprehensive business strategy to achieve sustainable success.

Proposition 1: High level of multi-franchise innovation is positively related to higher performance Risk Taking

Entrepreneurship necessitates risk-taking, which manifests as individuals pursuing business opportunities that could result in significant success despite unpredictable losses (Mushawir et al., 2023). Risk-taking requires entrepreneurs to analyse the potential risks and rewards of a venture before making a courageous decision to allocate resources and effort towards it (Afriany & Hakim, 2021). Successful risk-takers accept potential failure as a learning opportunity and maintain long-term confidence in success. For multi-franchise owners, risk-taking encompasses essential aspects such as business growth opportunities, financial commitments, and operational breakthroughs.

Franchise owners face risks during business expansion and must make strategic choices about location selection, capital expenditure, and marketing strategies to achieve success. Conducting thorough market analysis helps to mitigate loss risks and guides prudent resource allocation. Investing strategically in modern equipment and technology enables franchise businesses to maintain their competitive edge over the long term. Franchise owners have heavily relied on innovation in operations to discover new means of improving efficiencies and reducing costs. While innovation is significant, established standard operating procedures are important for providing quality assurance and consistency in both products and services delivered to customers. This is particularly true in today's franchise industry, where everything must be kept up-to-date and modern to attract customers drawn by quality and quantity. Franchise support networks mitigate commercial risks by offering guidance and support to those who take up the franchise.

Franchise owners must safeguard their business success through effective risk management that focuses on preventing unnecessary losses and identifying growth opportunities. Multi-unit franchise owners balance potential gains and losses by carefully evaluating risks. They actively explore new opportunities beyond their comfort zones while remaining vigilant for potential dangers. Individuals who embrace risk-taking demonstrate stronger decision-making abilities and creative business approaches, showing greater eagerness to pursue emerging trends with limited growth potential. Multi-franchise owners who evaluate their risks can access new markets and channel investments into emerging technologies and evolving consumer demands. Franchise owners who embrace reasonable risks and strategically plan for potential obstacles significantly enhance their success potential in competitive market environments (Hokmabadi, Rezvani, & de Matos, 2024). By setting achievable goals while effectively managing their



risk areas, they establish challenging but attainable objectives. Effective risk management through a solid financial plan makes provisions for necessary capital to mitigate potential risks when they arise suddenly. Through careful market analysis, franchise owners can accurately evaluate expansion possibilities and identify potential risks within new business areas.

Based on the above, the following propositions are proposed:

Proposition 2: High level of multi-franchise risk-taking is positively related to higher performance Proactiveness

Proactive entrepreneurs actively anticipate problems and develop opportunities by taking the initiative rather than responding passively to events. To be proactive, owner-operators must conduct detailed market analyses and evaluate competitive influences as well as customer needs to pursue continuous operational improvements. Organisations must seek operational enhancements and growth strategies that increase customer value. Owner-operators who take proactive steps continuously improve their businesses by making operational enhancements and launching new services and products while exploring opportunities in new markets. They perceive change as a chance to remain competitive by adapting promptly to maintain relevance. These business owners solicit feedback from customers and staff to identify areas requiring improvement so they can adapt to market changes. Owners operating multiple franchises who exhibit proactive behaviour choose to fund employee training and development initiatives, thereby creating a continuous learning environment that drives organisational advancement.

There is an opinion that excessive proactivity without careful market analysis and strategic planning can result in rushed decisions that prove ineffective. Companies must find a balance between proactive actions and comprehensive risk and reward assessments to ensure that business initiatives align with organisational objectives. Research by Baluku et al. (2020) indicates that individuals who take proactive actions demonstrate high levels of entrepreneurial motivation and intent. Proactive behaviour requires individuals to spot opportunities and take initiative, leading to meaningful change through persistent actions (Zampetakis, 2008). Multi-franchise owners and operators who anticipate upcoming challenges can adopt strategic approaches that protect against potential losses while boosting their market superiority. Successful franchise owners demonstrate a strong orientation towards action in addition to their ability to take initiative. Multi-franchise owners demonstrate their effectiveness not just through idea generation but also by maintaining the discipline and determination to execute these ideas successfully. The capabilities of successful franchise owners enable them to develop innovative business approaches that drive growth and maintain market competitiveness. Proactivity requires individuals to take action while also executing the right actions at the right times. Multi-franchise owners who exhibit proactive behaviour build solid relationships with key stakeholders, including franchisors, suppliers, and customers (Smith, Doe, & Brown, 2023).

Organizations must adopt new technologies and innovative processes to achieve operational efficiency gains while reducing costs in accordance with current trends. By implementing proactive strategies, multi-franchise owners cultivate strong relationships with customers and suppliers, thereby creating a support network essential for sustained success. Businesses employing proactive methods to identify upcoming challenges can shield themselves from potential risks and maintain resilience against industry competition.

Based on the above, the following proposition is made:

Proposition 3: High level of multi-franchise proactiveness is positively related to higher performance CONCEPTUAL FRAMEWORK

Multi-franchise owners serve as key drivers of economic and innovative progress within Malaysia's competitive franchise business environment. Despite numerous studies on franchising, the research community has yet to fully comprehend which entrepreneurial orientation influences performance among multi-franchise owner-operators. This conceptual framework aims to design and evaluate a comprehensive model that assesses the impact of entrepreneurial orientation such as innovation, risk-taking, and proactiveness on the performance outcomes of multi-franchise owners operating in Malaysia. The study evaluates business performance by measuring revenue growth and profit development, alongside customer satisfaction and market control through strategic partnerships (Husain et al., 2020; Jebna & Baharudin, 2013; Jumadildayeva & Uspanova, 2015). The research framework identifies key success elements for multi-franchise owners in Malaysia by examining three dimensions of entrepreneurial behaviour. This conceptual framework is underpinned by the Entrepreneurial Orientation (EO) theory, which posits that innovation, risk-taking, and proactiveness are core dimensions driving firm performance. Drawing on Covin and Slevin (1989),

these dimensions will be incorporated for the development of the proposition of this study, which focuses on multi-franchise performance in the Malaysian context significantly

The framework defines innovation as the capacity to develop novel concepts and processes, which is a core component in achieving growth and securing a competitive advantage. Business organisations must implement innovative strategies to sustain their market position and progress in today's global business environment. Entrepreneurs exhibit a willingness to risk resources on potentially lucrative ventures, despite uncertainties and the chances of failure. When business owners engage in strategic risk-taking, they often uncover opportunities that lead to increased business success. Businesses need to forecast market trends to enable early actions that exploit new opportunities while preventing potential risks from arising. Business leaders who adopt a proactive approach consistently explore methods to enhance their operations while responding to changes in their external environment.

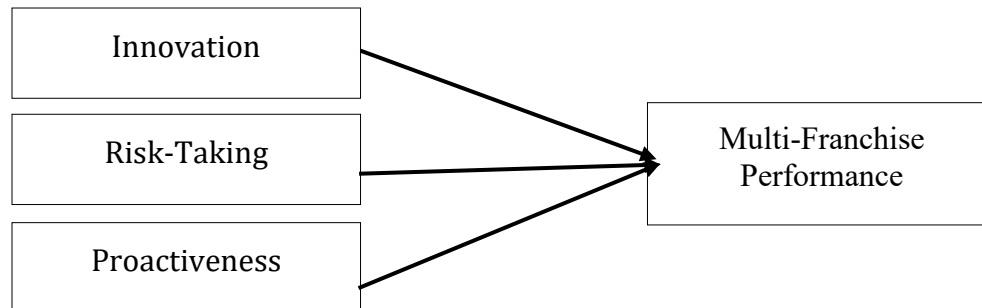


Figure 1.0: Conceptual Framework

The conceptual framework illustrates that businesses must understand the relationships between innovation, risk-taking, and proactiveness to evaluate their combined impact on business results. Detailed risk assessments are essential for businesses during the development of new products or services through innovative processes. By employing proactive strategies, businesses can identify opportunities for innovation and manage potential risks. The significant interaction between these three qualities necessitates that business leaders comprehend their interplay to achieve optimal business performance. Multi-franchise business leaders who invest in advanced technologies and expand their markets must apply comprehensive risk management strategies to their decision-making (Bodey et al., 2013; Selig, 1998). Multi-franchise owners create customer value by integrating innovation capabilities with effective risk management to distinguish themselves from competitors. This framework investigates how these characteristics affect business performance, providing critical insights for multi-franchise owners, franchisees, and policymakers developing strategies to enhance competitiveness and growth.

METHODOLOGY

The study will employ quantitative methods to guide its data collection and analysis procedures. Researchers have chosen the quantitative approach as it allows for the collection of large-scale data leading to valid generalisations about the multi-franchise owner-operator population in Malaysia. Multi-franchise owner-operators will use questionnaires to gather quantitative data measuring their business performance and strategies for innovation and risk-taking. The study will utilise regression analysis among statistical techniques to explore the relationships between variables using the collected data. This research method enables investigators to gather robust empirical evidence to either support or reject specific hypotheses.

The research combines quantitative techniques to gather data and analyse findings. Using quantitative methods, researchers collected large-sample data that supported their ability to form generalisations about the multi-franchise owner-operator groups in Malaysia. Multi-franchise owner-operators will respond to questionnaires that collect quantitative information regarding both their business performance metrics and their strategies for innovation and risk-taking. By employing statistical methods such as regression analysis, this study examines variable relationships within the collected data. The research methodology allows researchers to gather robust empirical data that supports the validation or rejection of specific research propositions.

This study investigates several franchise owners from Malaysia who manage their business activities. Random samples will be taken from the registered franchise owner list obtained from the Malaysian Franchise Association, following the guidelines established by Aziz et al. (2021). The correct sample size formula will determine the



appropriate sample size, ensuring population representativeness and allowing for significant relationship detection through statistical power. The questionnaire design will integrate fundamental findings discovered from a thorough analysis of relevant literature. The survey questions will assess multi-franchise owners' capabilities for innovation, proactiveness as well as their risk-taking tendencies and business performance metrics. The questionnaire will implement the Likert scale to determine the degree of respondents' agreement with each statement. SPSS statistical software will be used to perform data analysis on the collected information. The method of descriptive analysis will summarise sample demographics and provide insights into multi-franchise owners' levels of innovation, risk-taking, proactivity, and business performance. The study will employ regression analysis to explore how the variables under study are interrelated. Diagnostic tests will be conducted prior to the regression analysis to confirm that the data satisfy the necessary assumptions, such as normality, linearity, and homogeneity.

The research combines qualitative and quantitative analysis to explore the experiences and opinions of multi-franchise owners (Saraogi, 2009). The study includes semi-structured interviews with various multi-franchise business leaders to explore their views on innovation, proactiveness, and risk-taking, as well as their proactive approaches to business performance. The qualitative data extracted from transcribed recorded interviews will undergo content analysis to identify essential themes and patterns. The qualitative data will complement the quantitative results, providing a more comprehensive understanding of variable interactions.

DISCUSSION

The study is expected to contribute valuable advancements to the fields of franchising and entrepreneurship research. It aims to create empirical data showing how the combination of innovation, risk-taking, and proactivity impacts business performance in Malaysian multi-franchise setup. The research aims to demonstrate how entrepreneurial orientation affect success outcomes in franchise operations. Policymakers can utilise the research findings to develop strategies that boost the competitiveness and growth of businesses operated by multi-franchise owners and franchisors. The findings from this study will help multi-franchise owners understand their ability to innovate and manage risk while adopting proactive behaviours, supporting them in developing strategies that enhance these qualities. This research enables franchisees to develop improved training programmes that advance innovation and controlled risk-taking, alongside increased proactivity to enhance franchise network performance.

This study provides valuable insights that policymakers can use to shape policies promoting franchise growth and entrepreneurial activity within Malaysia. It will advance the academic field of franchising and entrepreneurship by delivering empirical data from Malaysia. Research studies about franchising and entrepreneurship have primarily occurred in Western countries, while developing nations like Malaysia have received minimal attention in this field. This research intends to address the research gap by improving our understanding of franchising and entrepreneurship across multiple contexts. The study will implement a robust methodological strategy that merges both quantitative and qualitative research techniques. Researchers will gain a comprehensive understanding of how innovation and risk-taking influence business performance and proactiveness by exploring multi-franchise owners' and operators' experiences and perspectives in depth. The study will enhance both validity and reliability through its combined quantitative and qualitative methods. While the research stands to make a meaningful impact, researchers must also recognise its limitations. The current research will focus exclusively on multi-franchise owners from Malaysia, and the study results cannot be applied to different business models outside of multi-franchise ownership, such as sole proprietorships or non-franchised businesses.

Multi-franchise owners and operators should consider investing in employee training programmes to enhance their skill sets and understanding of the industry. The study's findings enable franchisors to identify and cultivate franchisees who exhibit advantageous entrepreneurial orientation. Franchisors need to create organisational environments that promote innovation and encourage franchisees to take risks. The study's outcomes provide insights for Malaysian policymakers for developing policies that stimulate franchise growth while fostering entrepreneurial activities. The success of multi-franchising enterprises relies on integrating entrepreneurial qualities with established business structures to meet diverse market demands and customer needs (Husain et al., 2020).

CONCLUSION

This study will create a solid framework that directs subsequent empirical research to assess and implement the proposed relationship for multi-unit franchise operators in Malaysia. The findings of this research enhance franchise



operations and entrepreneurial initiatives by expanding knowledge about how business performance outcomes relate to innovation and active risk management. Franchise owners will make better decisions due to their strengthened understanding of these variables. Franchise businesses can achieve enhanced growth outcomes and ensure sustained success through the results of this study. The research offers theoretical insights that demonstrate practical applications significantly affecting franchise operators, as well as multi-franchise owners and policymakers working within Malaysia's franchise industry. The research identifies a need for further investigation into entrepreneurial orientation that drive success in multi-unit franchise operations while providing practical directions for subsequent academic research and industry applications (İsmael & Alam, 2019).

Furthermore, this research aims to provide a comprehensive understanding of how the characteristics of franchise frameworks contribute to competitive advantages and improved performance outcomes. Investigations into the influence of entrepreneurial orientation on business performance require longitudinal study designs to effectively capture temporal changes. This study establishes a framework to assess the effects of innovative behaviour, alongside risk-taking and proactiveness, on the performance of multi-unit franchises. The findings will enhance the existing knowledge base regarding entrepreneurial activities within the franchise sector. Additionally, this framework serves as a foundational reference for researchers to explore proposed relationships and to discern how franchise owners can leverage these insights for their benefit.

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